

12 April 1974

MEMORANDUM FOR: Chairman, IRAC Working Group

SUBJECT : CPRP Pilot Studies

1. The CPRP Sub-Group has developed a concept which involves a resource-oriented study of activities common to more than one National Foreign Intelligence Program. A generalized outline for such a study is attached.
2. The time for each study would be about three months and would require weekly meetings, periodic updates and a final report with recommendations.
3. Each study would be conducted by the appropriate USIB Committee for a CPRP Study Group made up of Community representatives. The Chairman of the Study effort would be responsible to the IRAC Working Group.
4. Following appointment, each CPRP Study Group would develop a detailed study plan for IRAC Working Group review.
5. Of the several candidate CPRP studies discussed in Sub-Group meetings, the group concluded that three (i.e., economics, HUMINT, telemetry) should be initiated in accordance with the proposed study outline as a pilot effort.
6. Your concurrence in this effort is requested.

CROSS-PROGRAM RESOURCE PACKAGE (CPRP)
CONCEPT AND STUDY OUTLINE

A CPRP study consists of evaluating a selected set of activities common to more than one program. A CPRP study is detailed cross-program evaluation of current and future requirements which drive the activities of the component programs, a description of the techniques and methods employed, an evaluation of the impact of the production or services provided, and the associated costs in dollars and manpower.

Once a CPRP has been characterized, management, organizational and/or functional problems can be identified and assessed. Inefficient or unnecessary activities can be determined and analyzed to identify corrective actions. The evaluation should reveal deficiencies and anomalies within the package and identify unnecessary or undesirable duplication. As problems are surfaced, corrective actions can be developed and evaluated for the purpose of making recommendations for improvement. The CPRP study results therefore should facilitate a more efficient utilization of Community resources.

The first step in conducting a detailed CPRP study is to divide the package into appropriate elements to facilitate the examination of objectives, requirements, capabilities, and associated costs in terms of dollars and manpower. Thus, a package might be sub-divided by functions and activities, sensor/technique combinations, geographic,

and/or subject areas. The second step consists of estimating the costs, in dollars and manpower, to address approved requirements and to maintain package elements at current capability levels. This involves the identification and separate accounting for direct (associated with only the activity of concern) and indirect (attributed to multiple activities) costs for current and budgeted activities across the programs; correlating objectives with activity levels to maximize the probability of collection, processing, production of positive intelligence for given resource levels; and forecasting probabilities of objective attainment vs projected objectives for alternative resource levels and time periods. The third step is to assess the value or utility of the package to its consumers. The fourth step is to define required changes in capabilities based on projected substantive requirements, resource availability, and technological state-of-art growth. (This assessment would take into consideration anticipated changes in targets, targets environments and other functional constraints.) The fifth step is to estimate the resources needed for R&D to address new requirements and to develop an allocation mechanism to enable current year adjustments in resources to address urgent problems.

Examination of CPRP's in this manner will provide analytically derived input to fiscal guidance and to NFIB recommendations. A

detailed cost analysis would assist in the development of alternative cost patterns for IRAC use in deliberations concerning community resource allocation.

GENERALIZED CPRP STUDY OUTLINE

The following criteria should govern the selection of CPRP's for investigation: 1) significance in resource terms, 2) impact on efficiency or capability, 3) significance of management or organizational implications, and 4) capability of resolution.

The study procedure should pinpoint key decisions, identify alternatives and their implications, and estimate resource impacts of feasible alternatives. The results of this process would identify alternative resource levels that are realistic in terms of the forces bearing upon the resources, and assure a balanced CPRP responsive to current demands and long-term intelligence goals.

- I. Identify purpose of CPRP
 - A. Resource Objectives (present & projected)
 - B. Current and projected intelligence requirements/targets
- II. Organizational Interrelationships, i. e., programs and activities involved.
- III. Package Activities Identification
 - A. Functions in component programs
 1. Activities
 2. Methodologies/techniques used
 3. Denied area considerations

B. Costs of associated activities in component programs

1. Dollars
2. Manpower

IV. Analysis

A. Management organizational interrelationships evaluation

B. Functional analysis

1. Results/products obtained from activities and trends
2. Identification of duplication of activities and results
3. Problems associated with activities
4. Value of products to consumer

C. Cost analysis

1. Cost/productivity
2. Break-out true marginal costs (those which would change if the activity level was changed) of activity levels of alternative comparisons.
3. Predict impact of program resource changes on productivity within the programs being evaluated.

4. Relate program productivity loss caused by decrement resource funding to probability of collection, processing, production of positive intelligence for a set of objectives.
5. Determine adequacy for current and future needs.
6. Perform trend analyses
 - a. Straight-line projection of manpower and dollar resource levels vs. probability of reduction in achieving objectives.
 - b. Probabilities of obtaining positive intelligence in denied areas and the relationship of R&D to three probabilities.
 - c. Impact of time-constrained R&D procurement and changes in resource levels on quantity of current and projected positive intelligence.
 - d. Historical resource levels and intelligence products for activities arrayed against objectives.
7. Display predicted probability of intelligence obtained vs. resource levels for activities to identify regions of expected diminishing returns.
(Portion of resource vs. productivity curve where increase in resource expenditure brings very smaller negative increase in productivity.)
8. Compare alternative methods of intelligence

- a. Cost: predicted inflated, and discounted to present (DoD Economic Analysis procedures).
 - b. Ratios of annual direct/indirect cost.
 - c. Ratios of manpower cost/machine cost (investment).
 - d. Probability of "success" vs. activity cost.
 - e. Time response vs. cost.
 - f. Others.
9. Perform sensitivity analysis by allowing decision maker to maximize a selected objective function, where objective function is of one of two forms:
- a. Maximize set of intelligence objectives for given level of resources.
 - b. Minimize cost of attaining pre-specified set of intelligence objectives.

V. New Initiatives

- A. Purpose/objectives
- B. Schedules, costs, benefits and trade-offs.
- C. Program impact.

VI. Recommendations

- A. Structural/functional actions and schedules
- B. R&D
- C. Dollar costs and manpower implications
- D. NFIB

IRAC WORKING GROUP
ISSUES SUBCOMMITTEE
TENTATIVE ISSUE STUDY LIST
(Incomplete)

GDIP

1. Intelligence Information Handling, Data Transmission and

Exchange

Description: The subjects listed are not all inclusive for the subject area, but for the projects listed, the studies should focus on compatibility of hardware and software to the extent authorized by proper authority, for the purpose of rapid, efficient interchange of data.

2. Intelligence Analysis and Production

The study will emphasize the premise that intelligence requirements of consumers/users should dictate the size and focus of collection activities, and not vice versa. Within the constraints of fiscal realities and considering intelligence production requirements and capabilities, the study should recommend alternatives for resource levels that may require offsetting trade-offs from collection and/or processing.

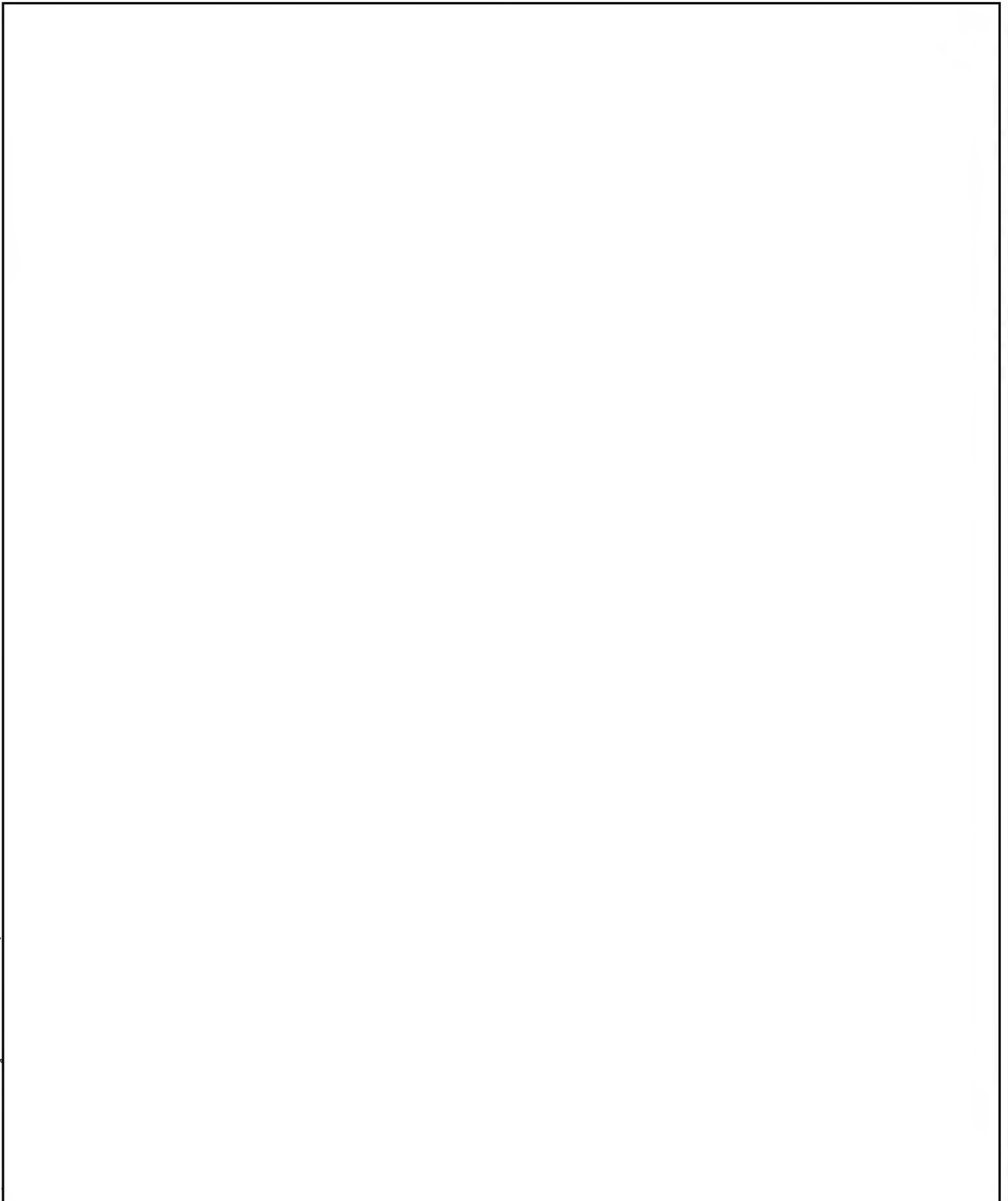
3. Imagery Dissemination

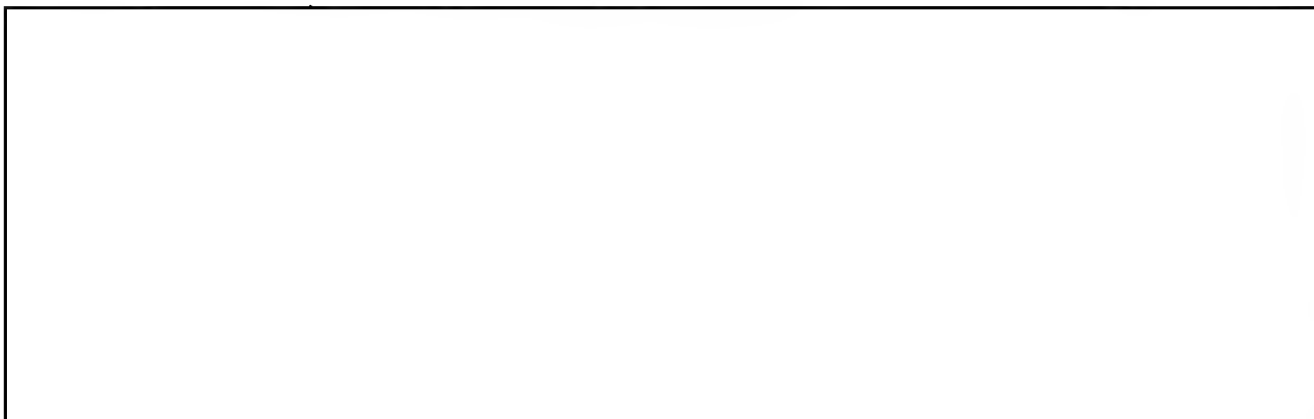
This study should consider the operational commanders requirements for new imagery material; the most rapid, efficient and secure means of transmitting such data; and be cost effective within the criteria of existing technology.

4. Drone Study

Description: This study should consider alternatives for a follow-on drone system to include cost considerations, mission flexibility in terms of on-station time, collection packages, survivability attrition rates, etc. The study should be focused on initial funding requirements in FY76.

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ISSUE STUDY

on

INTELLIGENCE INFORMATION HANDLING,
DATA TRANSMISSION AND EXCHANGE

Progress Report

11 April 1974

A. Executive Summary

Action is being initiated to task each major system project office designated below to provide the most current approved update of each system plan. A definition of problem areas encountered to date is requested. A specific review of alternative approaches to meeting the requirements and objectives of each project is required.

In addition to these reviews, each project manager will be required to address provisions for interface or interoperability with each other currently approved major systems project in the FYDP.

These submissions will be correlated by DIA, with appropriate evaluation and comment.

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A tentative schedule follows:

1 May	Tasking and TOR completed Points of contact established.
24 May	Status/Progress report
15 July	Submission to DIA complete
15 Aug	Correlation, Review, Analysis and Comment complete
1 Sep	Completed Study submitted

PROGRESS REPORT AS OF 11 APRIL 1974

Intelligence Analysis and ProductionA. EXECUTIVE SUMMARY

1. The study will consider the adequacy of Defense analysis and production resources to determine the extent to which these resources are properly focused on essential tasks. Two aspects of Defense analysis and production resources will receive special consideration--their balance to collection/processing resources and the appropriateness of their organizational structures for maximum quality and quantity of throughput.*

2. The study will develop alternatives and will advance recommendations to improve the size, quality, and focus of analysis/production resources. Alternatives and recommendations will consider a variety of projected resource levels. Among the alternatives considered will be options which will be based upon the transfer of resources from collection/processing functions to analysis/production functions.

B. TERMS OF REFERENCE

Being developed within DIA by representatives of DP, DC, DI, DT, DS.

C. SHORT STATEMENT OF THE PROBLEM

The capability to provide timely, finished intelligence to operational commanders and decision makers is a basic requirement underlying all intelligence programs. There have been assertions that intelligence analysis/production has not kept pace with the technology and capabilities of collection/processing functions. This study is to consider if adjustments to the effort applied to analysis/production is adequate or if changes in emphasis are required.

D. ASSUMPTIONS AND ANTICIPATED KEY VARIABLES

Being developed within DIA.

E. ANTICIPATED RESOURCE CONSIDERATIONS

Recognizing the reality of fiscal constraints, it is tentatively assumed that resource impact would be in terms of offsets within current fiscal guidance levels. The magnitude of any resource implications has not been determined.

* ASD(I) has been requested to issue an appropriate letter to all CDIP program managers which requests support to DIA in the accomplishment of the study and responsiveness to associated DIA data calls.

F. IMPACT OF STUDY ON SUBSTANTIVE INTELLIGENCE

The primary objective of the concluded study will be to consider alternatives that will enhance intelligence production.

G. SUSPENSES/MILESTONES

Preliminary Report

- 17 May 1974

Final Report

- 1 September 1974

H. RECOMMENDATIONS/CONCLUSIONS

Not developed at this time.

IMAGERY DISSEMINATION

The Progress Report for GDIP 3, Imagery Dissemination,
is currently under revision.

PROGRESS REPORT AS OF 11 APRIL 1974

DRONE STUDYA. EXECUTIVE SUMMARY

The Study will consider various alternatives for a follow-on drone system in FY 76. It will include the following as some of the options

Initially, each of the options will be examined from cost effectiveness, mission flexibility and survivability standpoint.

The study will focus on what follow-on systems should receive funding support for FY 76 to prevent a gap in capability because of development or production lead times.

B. TERMS OF REFERENCE

The following will be minimum terms of reference required to complete the study:

1. Costs -- of development, production and operations, to include manpower requirements.
2. Collection requirements to be satisfied.
3. Adapability of selected option(s) to satisfy single or multiple requirements.

C. SHORT STATEMENT OF THE PROBLEM

Final decisions on a follow-on system to satisfy collection requirements presently satisfied by drone aircraft have not been made. To prevent a gap in collection capability, a decision is required as to use of FY 76 funds to assure an optimum capability is obtained.

D. ASSUMPTIONS AND ANTICIPATED KEY VARIABLES

Not determined at this time.

E. ANTICIPATED RESOURCE CONSIDERATIONS

Not yet available.

F. IMPACT OF STUDY ON SUBSTANTIVE INTELLIGENCE

Not determined.

G. SUSPENSES/MILESTONES

1. Study outline to ASD(I) - 19 April 1974
2. Progress Report to DIA - 3 May 1974
3. Final Study Completed - 17 May 1974

H. RECOMMENDATIONS/CONCLUSION

Not available.

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